

AMENDED IN SENATE APRIL 2, 2009

**SENATE BILL**

**No. 373**

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**Introduced by Senator Walters**

*(Principal coauthor: Assembly Member Duvall)*

**(Coauthor: Senator Dutton)**

*(Coauthors: Assembly Members Bill Berryhill, DeVore, Jeffries, Knight, and Silva)*

February 26, 2009

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~~An act relating to taxation.~~ *An act to amend Sections 10752 and 10752.2 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 373, as amended, Walters. Vehicle license fees: ~~fees: new vehicles.~~

The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state, *on and after May 19, 2009, and until July 1, 2013*, in the amount of ~~0.65%~~ *1.15%* of the market value of ~~a vehicle~~ *specified vehicles, the revenues derived thereof to be deposited in specified funds. Existing law provides that, on and after July 1, 2013, the annual license fee for specified vehicles subject to registration in this state shall be 0.65% of the market value of the new vehicle, including a new motorcycle.*

~~This bill would state the intent of the Legislature to enact legislation to exempt new motor vehicles from the imposition of the 0.65% vehicle license fee for the initial year of registration provide that for new vehicles, including new motorcycles, the annual license fee shall be 0.65% of the market value of the vehicle.~~

*This bill would take effect immediately as a tax levy.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 10752 of the Revenue and Taxation Code,*  
2     *as amended by Section 4 of Chapter 18 of the 3rd Extraordinary*  
3     *Session of the Statutes of 2009, is amended to read:*

4     10752. (a) The annual amount of the license fee for any  
5     vehicle, other than a trailer or semitrailer, as described in  
6     subdivision (a) of Section 5014.1 of the Vehicle Code or a  
7     commercial motor vehicle described in Section 9400.1 of the  
8     Vehicle Code, *a new vehicle*, or a trailer coach that is required to  
9     be moved under permit as authorized in Section 35790 of the  
10    Vehicle Code, shall be a sum equal to the following percentage of  
11    the market value of the vehicle as determined by the department:

12    (1) Sixty-five hundredths of 1 percent on and after January 1,  
13    2005, and before May 19, 2009.

14    (2) One percent on and after May 19, 2009.

15    (b) (1) The annual amount of the license fee for any commercial  
16    vehicle as described in Section 9400.1 of the Vehicle Code, shall  
17    be a sum equal to 0.65 percent of the market value of the vehicle  
18    as determined by the department.

19    (2) *The annual amount of the license fee for any new vehicle*  
20    *shall be a sum equal to 0.65 percent of the market value of the new*  
21    *vehicle as determined by the department. For purposes of this*  
22    *section, "new vehicle" includes a new motorcycle.*

23    (c) Notwithstanding Chapter 5 (commencing with Section  
24    11001) or any other law to the contrary, all revenues (including  
25    penalties), less refunds, attributable to that portion of the rate  
26    imposed pursuant to this section in excess of 0.65 percent shall be  
27    deposited into the General Fund.

28    (d) This section shall cease to be operative on July 1, 2011,  
29    unless the Director of Finance makes the notification pursuant to  
30    Section 99040 of the Government Code, in which case the section  
31    shall cease to be operative on July 1, 2013.

32    *SEC. 2. Section 10752.2 of the Revenue and Taxation Code is*  
33    *amended to read:*

34    10752.2. (a) On and after May 19, 2009, in addition to the  
35    annual license fee for a vehicle, other than a commercial motor

1 vehicle described in Section 9400.1 of the Vehicle Code *or a new*  
2 *vehicle, including a new motorcycle*, imposed pursuant to Sections  
3 10752 and 10752.1, a sum equal to 0.15 percent of the market  
4 value of the vehicle as determined by the department, shall be  
5 added to that annual fee.

6 (b) Notwithstanding Chapter 5 (commencing with Section  
7 11001) or any other law to the contrary, all revenues (including  
8 penalties), less refunds, derived from fees collected pursuant to  
9 subdivision (a) shall be deposited in the General Fund and  
10 transferred to the Local Safety and Protection Account, which is  
11 hereby established in the Transportation Tax Fund.  
12 Notwithstanding Section 13340 of the Government Code, all  
13 moneys in the account are hereby continuously appropriated,  
14 without regard to fiscal year, to the Controller for allocation  
15 pursuant to Sections 29553, 30061, and 30070 of the Government  
16 Code, Section 13821 of the Penal Code, and Sections 18220 and  
17 18220.1 of the Welfare and Institutions Code.

18 (c) (1) In 2010 and each calendar year thereafter, the Director  
19 of Finance shall, no later than January 10 and upon the enactment  
20 of the Budget Act during the calendar year, make a written  
21 determination of whether any of the moneys derived from fees  
22 collected pursuant to subdivision (a) are being allocated by the  
23 state for any purpose not authorized by subdivision (b), and shall  
24 immediately submit his or her written determination to all of the  
25 following:

- 26 (A) The Director of the Department of Motor Vehicles.
- 27 (B) The Joint Legislative Budget Committee.
- 28 (C) The Senate and Assembly Appropriations Committees.
- 29 (D) The Senate and Assembly Revenue and Taxation
- 30 Committees.

31 (2) If the Director of Finance determines that any moneys  
32 derived from fees collected pursuant to subdivision (a) are being  
33 allocated by the state for a purpose not authorized by subdivision  
34 (b), the Director of the Department of Motor Vehicles shall, upon  
35 receipt of the written determination, immediately cease collection  
36 of the fees imposed by subdivision (a), and shall resume collection  
37 of those fees only upon his or her receipt of written determination  
38 provided under paragraph (1) that specifies that none of the moneys  
39 derived from fees collected pursuant to subdivision (a) are being

1 allocated by the state for a purpose not authorized by subdivision  
2 (a).

3 (d) This section shall cease to be operative on July 1, 2011,  
4 unless the Director of Finance makes the notification pursuant to  
5 Section 99040 of the Government Code, in which case this section  
6 shall cease to be operative on July 1, 2013.

7 *SEC. 3. This act provides for a tax levy within the meaning of*  
8 *Article IV of the Constitution and shall go into immediate effect.*

9 ~~SECTION 1. It is the intent of the Legislature to enact~~  
10 ~~legislation that would exempt new motor vehicles from the~~  
11 ~~imposition of the 0.65 percent vehicle license fee for the initial~~  
12 ~~year of registration.~~